The Legislative Fiscal Division

Presents:

Profile of...

Secretary of State

State of Montana

Agency Profile

Oct. 2008

This agency profile will discuss...

- structure and funding
- primary functions and
- historical expenditures

The profile also includes information on how decisionmakers can effect change in the agency's expenditures along with a listing of pertinent statistics. For an explanation of terms used in this profile, consult the "Background on the Agency Profiles" at: http://leg.mt.gov/css/fiscal/default.asp

General Fund Statewide Comparison
FY 2008 (In Millions)

Let's begin by putting the agency's size in perspective by comparing it to state government as a whole.

Total Funds Statewide Comparison
FY 2008 (In Millions)

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What the Agency Does

The Office of the Secretary of State:

- Interprets state election laws and oversees elections
- Maintains the official records of the executive branch and the acts of the legislature
- Reviews, maintains, and distributes public-interest records of businesses and nonprofit organizations
- Files administrative rules adopted by state departments, boards, and agencies
- Attests to the governor's signature on executive orders, proclamations, resolutions, extradition papers, and appointments
- Preserves the state seal
- Files and maintains records of secured financial transactions, such as liens
- Serves on the state Board of Land Commissioners and the Board of Examiners
- Commissions notaries public

Total FY 2008 FTE: 54.25 FTE all funded with proprietary funds

How Services Are Provided

The office comprised of one division, which consists of five bureaus that provide the following major functions:

Central Administration

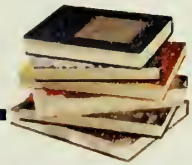
- Office budgeting, accounting, payroll, and administration

Business Services Bureau

- Charters, licenses, and record maintenance for Montana, alien, and foreign corporations
- Registers and maintains records for trademarks and assumed business names
- Files and maintains records of Montana and foreign limited partnerships
- Assembles, prepares, and publishes the federal farm products lien list for buyers under the authority of the United States Department of Agriculture

Elections Bureau

- Files legislative bills from introduction through approval by the Governor and assigns chapter numbers for the session laws of Montana
- Files the journals of the legislature
- Files and maintains the record of declarations of nomination of candidates for state and district offices, and reports of contributions to candidates for federal offices
- Prepares, publishes, and distributes instruction manuals for election judges, including forms for use in elections
- Prepares and certifies official primary and general election ballots Assists and advises local election administrators in election matters, and publishes and distributes the elections laws
- Files petitions for and prepares, publishes, and distributes the voters' information pamphlet on special measures and constitutional amendments
- Files official bonds of notaries public and distributes commissions of notaries public issued by the Governor
- Maintains the record of executive reorganization, official acts of the Governor, applications for pardons and commutation of sentence, requisitions for extradition

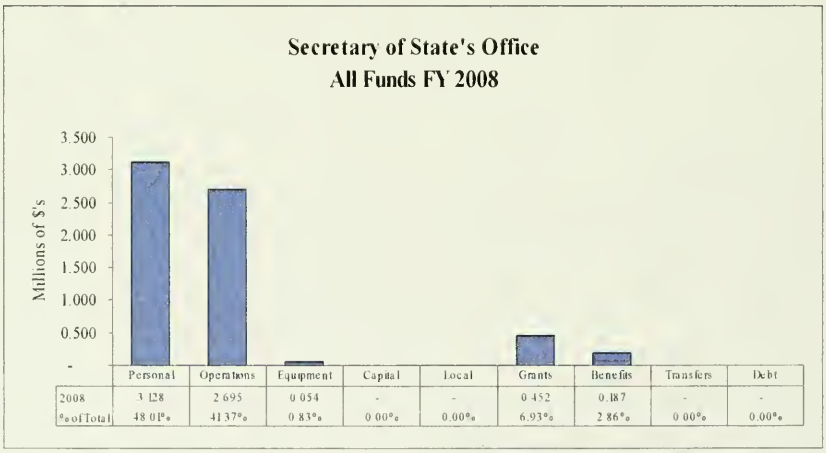


Administrative Rules Bureau

- Prescribes the format for the administrative rules of state agencies
- Files and maintains the record of proposed and established administrative rules of state agencies
- Publishes and distributes the Montana administrative register and the administrative rules of Montana

Records Management Bureau

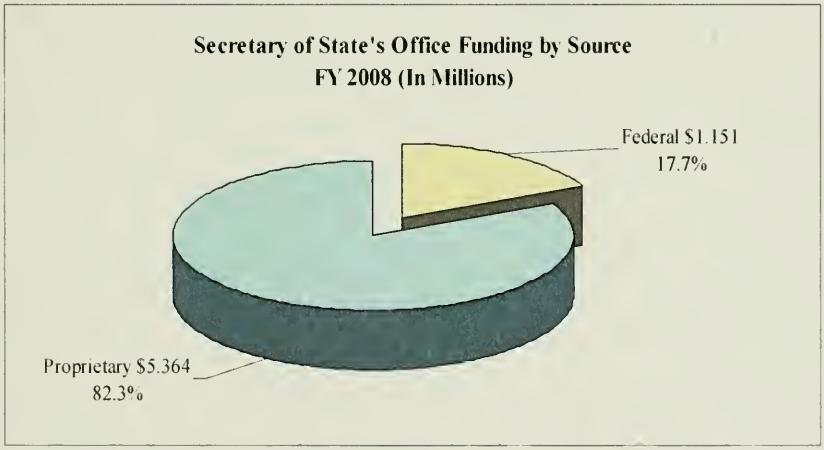
- Establishes guidelines for inventorying, cataloging, retaining, and transferring all public records of state agencies and operates state records center to store and service public records
- Microfilms documents for state agencies and approves microfilming projects and microfilm equipment purchases of state agencies
- Assists the legislative and judicial branches establish records management procedures

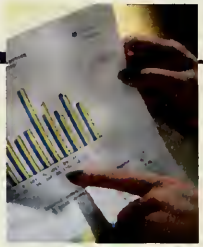


	Personal	Operations	Equipment	Capital	Local	Grants	Benefits	Transfers	Debt
2008	3.128	2.695	0.054	-	-	0.452	0.187	-	-
%of Total	48.01%	41.37%	0.83%	0.00%	0.00%	6.93%	2.86%	0.00%	0.00%

How Services Are Funded

The operations of the Secretary of State are funded primarily with proprietary funds derived from fees for services, document sales, and other fees established in statute. Beginning in FY 2003, the federal Help America Voter Act of 2002 (HAVA) provided federal special revenue for election reform initiatives. In FY 2008, federal special revenue provided $1.2 million, or 17.6 percent, of the total funding for the Secretary of State and proprietary funds provided the remaining $5.4 million, or 82.4 percent. Current federal funds are from interest earned on HAVA funds that peaked at $8.3 million in FY 2006 after being provided to address voting irregularities identified during the 2000 presidential elections.





Related Data & Statistics

Element	*2004*	*2008*
Documents processed for registration of new Montana domestic corporations	3,245	5,656
Documents processed for registration of new Montana foreign corporations	1,507	1,684
Documents processed for registration of new Montana domestic limited liability companies	5,213	9,311
Documents processed for registration of new Montana foreign limited liability	527	1,104
Average document processing turnaround time	5 days	2 days
Customer services telephone wait time	15 seconds	15 seconds
Online services available	9	30

Expenditure History

	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund	-	-	-	-	-	-	-	-	-
State Special Fund	-	-	-	-	-	-	-	-	-
Federal Fund	-	-	-	0.017	1.534	2.503	8.302	(1.153)	1.151
Proprietary	2.938	2.795	2.850	3.528	3.114	2.964	3.064	4.951	5.364

Total funds have grown from $2.9 million in FY 2000 to a peak of $11.4 million in FY 2006. Since FY 2006 total funds have declined to $6.6 million due to declining federal funds. The significant growth was from the introduction of federal funding from the federal Help America Vote Act of 2002 (HAVA), which began in FY 2003 at $17,200 and has grown to $8.3 million in FY 2006. This federal funding has since declined and in now primarily from interest earned on unexpended balances of prior allocations. Proprietary funds have grown to $5.5 million in FY 2008 and remain as the primary funding source for the office.

Reasons for Expenditure Growth/Change

Funding increases from 1998 through 2000 were due to a large part to expenditures on information technology equipment in an effort to automate processes of the office. The office now provides a significant amount of services via electronic access through the Internet. Prior to FY 2003, the office was funded exclusively with proprietary funds, but beginning in FY 2003, the office received funding from federal special revenue for election reform activities of HAVA, which in FY 2006 was $8.3 million. HAVA functions to improve the election process and access to poling places have since continued via interest earnings of prior allocations. As the HAVA requirements are satisfied and funds are depleted expenditures are returning to a dominance on proprietary expenditures to fund the operations of the office.

Agency Functions, State Purposes, & Customers Served

The agency is structured to perform certain functions in support of general state government purposes. The following lists the major functions, purpose of provision of the functions, and primary customers served.

State Purposes	Major Agency Functions	Customers
Infrastructure—Governmental and Physical	Interpret state election laws and oversee elections	General public
	Maintain and administer public-interest records of business and nonprofit organizations	General public
	Maintain and administer the Administrative Rules of Montana and the Montana Administrative Register	State agencies and general public
	Maintain official state records	State agencies and general public

How the Legislature Can Effect Change

In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basic elements that drive costs.

- Affect laws that impact the frequency of interactions between the office and those served
- Affect laws associated with requirements and processes for filing, retention, and storage of official records
- Affect laws associated with requirements and duties associated with election laws

Statewide Factors With Impact

In addition to the factors above, a number of factors common to many agencies will also impact changes in expenditures over time.

- Personal services policies and funding
- State contribution to health benefits
- Information technology policies and standards
- Security and preservation of paper and electronic records

Statutory References

The primary statutory references defining duties and responsibilities of the department are found at the following locations.

Article VI, Section 1, Montana Constitution - Officers.
2-15-401 MCA - Duties of secretary of state -- authority

Alternative accessible formats of this document will be provided upon request. For further information, call the Legislative Fiscal Division @ 444-2986 or visit our web site @ http://www.leg.mt.gov/css/fiscal

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